

March 3, 1941

Articles 17(b), (c) and (d) of the General Provisions form-
part of Contracts Nod-1430, Nod-1432, Nod-1433, Nod-1497,
Nod-1503 and Nod-1642, provide for reimbursement of
contractor by the Navy Department of the additional cost
incurred in connection with overtime and shift work, where
such overtime or shift work has been approved by the Navy
Department.

In order to extend these provisions to subcontracts,
the Secretary of the Navy hereby authorizes the following
changes in the General Provisions of each of the above-
mentioned contracts:

Article 17(b):

Line 1 - after the word "contractor", insert
the words "or any subcontractor under this
contract".

Line 5 - after the word "contractor", insert
the words "or such subcontractor".

Line 7 - after the word "contractor", insert
the words "or such subcontractor".

Article 17(c):

Line 1 - after the word "contractor", insert
the words "or any subcontractor under this
contract".

Line 4 - after the word "contractor", insert
the words "or such subcontractor".

Line 6 - after the word "contractor", insert
the words "or such subcontractor".

Article 17(d):

Line 1 - after the word "contractor", insert the words and punctuation", or any subcontractor under this contract on whose behalf the contractor claims reimbursement under paragraphs (a) or (b) of this article,".

For the sake of clarity, the Secretary of the Navy hereby further modifies the General Provisions forming part of Contracts Nod-1430, Nod-1432, Nod-1433, Nod-1497, Nod-1500 and Nod-1503, as follows:

Article 23(d):

Line 9 - after "vessel/vessels", insert "hereby agrees,".

Article 12(c) of Contracts Nod-1430, Nod-1433, Nod-1497, Nod-1500, Nod-1503 and Nod-1642, authorizes the Contractor, with the written approval of the Secretary of the Navy or the Chief of the Bureau of Ships as his duly authorized representative, to enter into subcontracts on a cost-plus-a-fixed-fee basis, on a price-adjustment basis, or on such other basis as may be approved. In order to permit the Contractor to modify existing subcontracts under this provision, the Secretary of the Navy hereby modifies each of these contracts as follows:

Article 12(c):

Line 5 - Change the period following the word "approved" to a semicolon and add the following:

"similarly, if the contractor shall have obtained in advance such written approval, he may, by agreement with the subcontractor, change any subcontract to a cost-plus-a-fixed-fee basis, a price-adjustment basis, or such other basis as may be approved."

ment with respect to material and labor (hereinafter called the Material and Labor Compensation Board with respect to Article 8. The purpose of the Board is to average the Material and Labor costs for comparison with the Material and Labor costs for the year 1940. The material and labor costs for each quarter during the year 1940, however, that the Secretary

By letter of February 19, 1941, form of Contract Nod-1430 for the construction of four Destroyers Nos. DD645 to DD648 inclusive, was forwarded to the Contractor for execution. If this contract has not been forwarded to the Navy

ment, it is requested that the above changes, except that applying to Article 23(d) of the General Provisions, has already been made, be inserted in all copies of Contract N0d-1732 and the General Provisions forming thereof, and that appropriate entries covering such in- tions be added under Article 14 of the contract and Article the General Provisions.

It is requested that receipt of this letter be acknowledged.

Respectfully,

James Forrestal

Acting Secretary of the Navy

General Shipbuilding and Dry
Company,
New Jersey.

CompBd (2)
G.A.O. (Audit Div)
BuShips
BuShip, Kearny
BuS&A